

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

Component Unit Financial Statements
For the Year Ended December 31, 2012

And
Independent Auditor's Report

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Caldwell Parish

Report on the Financial Statements

I have audited the accompanying component unit financial statements of the governmental activities and fund information of Thirty-Seventh Judicial District Court, Judicial Expense Fund (a governmental entity) and a component unit of the Caldwell Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Thirty-Seventh District Court, Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Thirty-Seventh Judicial District, Judicial Expense Fund, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Caldwell Parish

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 3-6 and 19-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 26, 2013 on my consideration of the Thirty-Seventh Judicial District, Judicial Expense Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Thirty-Seventh Judicial District, Judicial Expense Fund's internal control over financial reporting and compliance.

David M. Hatt, CPA (APAC)

West Monroe, Louisiana
April 26, 2013

REQUIRED SUPPLEMENTAL INFORMATION (PART A)



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DISTRICT JUDGE
THIRTY-SEVENTH JUDICIAL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Thirty-Seventh Judicial District Court (the Court) provides an overview of the Court's activities for the year ended December 31, 2012. Please read it in conjunction with the Court's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Court as a whole and present a longer-term view of the Court's finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all Court governmental funds.

These financial statements consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

Reporting the Court as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Court's net position and changes in them. The Court's net position – the difference between assets and liabilities – measure the Court's financial position. The increases or decreases in the Court's net position are an indicator of whether its financial position is improving or deteriorating. Other non-financial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition should be considered in order to assess the overall condition of the Court.

Currently, the Court has only governmental activities that provide personnel, equipment, supplies, and other cost related to the proper administration of the District Court. Primarily, court costs, fees, and interest income finance these activities.

Reporting the Court's Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds, not the Court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of District Court, the Court also accounts for the appropriations received from the Department of Health and Human Resources, State of Louisiana, related to child support cases and from the State of Louisiana Supreme Court to administer the Drug Court. The General Fund, the Child Support Fund, the Misdemeanor Probation Fund, and the Drug Court Fund are all governmental funds that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures only cash and financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

THE COURT AS A WHOLE

For the year ended December 31, 2012 and 2011, net position changed as follows:

	2012	2011
Beginning net position	\$ 62,917	\$ 64,423
Increase (Decrease) in net position	<u>6,391</u>	<u>(1,506)</u>
Ending net position	<u>\$ 69,308</u>	<u>\$ 62,917</u>

Governmental Activities

The Court's assets exceeded its liabilities at the close of the year 2012 by \$69,308. For the calendar year 2012, the net position increased by \$6,391 (or 10%) and the Court's revenue decreased by \$64,205.

To aid in the understanding of the Statement of Activities some additional explanation is provided. Its format is significantly different than that of the Statement of Revenue, Expenditures and the Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net Revenue (Expense). The reason for this kind of format is to highlight the relative financial burden of each of the governmental functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees. Court costs and fees reported represent the majority of the revenues for the District Court function.

All other governmental revenues (such as interest) are reported as general.

THE COURT'S FUNDS

The following schedule presents a summary of the government wide net position:

	Net Position as of December 31,	
	<u>2012</u>	<u>2011</u>
Current and noncurrent assets	\$72,317	\$69,180
Current and noncurrent liabilities	<u>3,009</u>	<u>6,263</u>
Net Position:		
Unrestricted	<u>\$69,308</u>	<u>\$62,917</u>
Total net position	<u>\$69,308</u>	<u>\$62,917</u>

Net position of the Court increased by \$6,391 (or 10%) from December 31, 2011 to December 31, 2012.

The following schedule presents a summary of general and special revenue funds revenues and expenditures for the year ended December 31, 2012 and the amount and percentage of increases and decreases in relation to the prior year.

	2012 Amount	Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease)
Revenues:				
Operating Grants	\$ 141,805	58%	\$(15,842)	(10%)
Intergovernmental	36,680	15%	796	2%
Charges for services	55,102	23%	(49,257)	(47%)
Interest	296	1%	(209)	(41%)
Other	<u>10,422</u>	<u>3%</u>	<u>307</u>	<u>3%</u>
Total revenues	<u>\$ 244,305</u>	<u>100%</u>	<u>\$(64,205)</u>	<u>(21%)</u>

Revenues decreased in 2012 primarily because there was twice as less collected in restitutions than there have been in prior year.

	2011 Amount	Percent of Total	Increase (Decrease) from 2010	Percent Increase (Decrease)
Revenues:				
Operating Grants	\$ 157,647	51%	\$(34)	-%
Intergovernmental	35,884	12%	3,108	9%
Charges for services	104,359	34%	42,943	70%
Interest	505	1%	(10)	(2%)
Other	<u>10,115</u>	<u>2%</u>	<u>(6,601)</u>	<u>(39%)</u>
Total revenues	<u>\$ 308,510</u>	<u>100%</u>	<u>\$ 39,406</u>	<u>15%</u>

Revenues increased in 2011 primarily because there was twice as much collected in restitutions than there was in prior years.

	2012 Amount	Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease)
Expenditures District Court	\$ 237,914	100%	(72,101)	15%

District Court expenditures decreased during 2012. The decrease was due primarily less restitutions collected and subsequently paid than there was in the prior year.

	2011 Amount	Percent of Total	Increase (Decrease) from 2010	Percent Increase (Decrease)
Expenditures District Court	\$ 310,016	100%	40,454	15%

District Court expenditures increased during 2011. The increase was due primarily to more restitutions collected and subsequently paid than there was in prior year.

CAPITAL ASSETS

The Court had reported no capital assets as of December 31, 2012 and 2011.

DEBT ADMINISTRATION

The Court had no long term debt as of December 31, 2012 and 2011.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

Court operations are funded extensively by the Parish of Caldwell. The court anticipates a flat growth with very little change.

CONTACTING THE THIRTY-SEVENTH DISTRICT COURT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Court's finances and to demonstrate the Court's accountability for the financial resources it manages. If you have questions about this report or need additional information contact the Honorable Judge Don Burns at P.O. Box 177, Columbia, Louisiana 71418.

Honorable Judge Don C. Burns

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF NET POSITION
DECEMBER 31, 2012

<u>Assets</u>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 36,181
Certificate of Deposit	20,751
Accounts Receivable	<u>15,385</u>
Total Assets	<u>72,317</u>
<u>Liabilities</u>	
Accounts Payable	555
Payroll Taxes Payable	<u>2,454</u>
Total Liabilities	<u>3,009</u>
<u>Net Position</u>	
Net Position - Unrestricted	<u>\$ 69,308</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

		<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functional / Program Activities:					
Government Activities:					
Judicial Expense Fund	\$ 44,954	\$ 26,151	\$ -	\$ -	\$ (18,803)
Child Support	29,635	-	-	-	(29,635)
Misdemeanor Probation	27,737	28,951	-	-	1,214
Drug Court	101,806	-	118,657	-	16,851
FINS Fund	33,782	-	33,570	-	(212)
Total Government Activities	\$ 237,914	\$ 55,102	\$ 152,227	\$ -	\$ (30,585)
General Revenues:					
Intergovernmental					36,680
Interest					296
Total General Revenues					<u>36,976</u>
Changes in Net Position					6,391
NET POSITION - BEGINNING					<u>62,917</u>
NET POSITION - ENDING					<u>\$ 69,308</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	FINS Fund	Total Governmental Funds
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ 14,547	\$ 5,738	\$ 9,189	\$ 6,707	\$ 36,181
Certificate of Deposit	20,751	-	-	-	-	20,751
Receivables	1,722	3,168	-	10,495	-	15,385
Due From Other Governmental Units	-	-	-	27,746	-	27,746
Total Assets	<u>\$ 22,473</u>	<u>\$ 17,715</u>	<u>\$ 5,738</u>	<u>\$ 47,430</u>	<u>\$ 6,707</u>	<u>\$ 100,063</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts Payable	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ 555
Payroll Taxes Payable	135	1,106	-	1,213	-	2,454
Due to Other Governmental Units	27,746	-	-	-	-	27,746
Total Liabilities	<u>28,436</u>	<u>1,106</u>	<u>-</u>	<u>1,213</u>	<u>-</u>	<u>30,755</u>
Fund Balances						
Restricted	-	-	-	-	6,707	6,707
Assigned	-	16,609	5,738	46,217	-	68,564
Unassigned	(5,963)	-	-	-	-	(5,963)
Total Fund Balances	<u>(5,963)</u>	<u>16,609</u>	<u>5,738</u>	<u>46,217</u>	<u>6,707</u>	<u>69,308</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 22,473</u>	<u>\$ 17,715</u>	<u>\$ 5,738</u>	<u>\$ 47,430</u>	<u>\$ 6,707</u>	<u>\$ 100,063</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Child Support	Misdemeanor Probation Fund	Drug Court Fund	FINS Fund	Total Governmental Funds
<u>Revenues</u>						
State						
Intergovernmental Revenues	\$ -	\$ 36,680	\$ -	\$ -	\$ -	\$ 36,680
Supreme Court Receipts	-	-	-	108,235	33,570	141,805
Local						
Caldwell Parish Sheriff	10,340	-	682	-	-	11,022
Caldwell Parish Clerk of Court	3,780	-	-	-	-	3,780
Caldwell Parish Probation	5,729	-	-	-	-	5,729
Interest on Investments	296	-	-	-	-	296
Inmates on Probation	-	-	28,269	-	-	28,269
Diversion Program	5,567	-	-	-	-	5,567
Fines	735	-	-	-	-	735
Drug Court Fees	-	-	-	5,237	-	5,237
Contributions	-	-	-	5,185	-	5,185
Total Revenues	26,447	36,680	28,951	118,657	33,570	244,305
<u>Expenditures</u>						
Judicial:						
Utilities	-	-	-	-	1,644	1,644
Travel	235	1,800	-	154	-	2,189
Professional Development	91	-	-	-	-	91
Accounting and Auditing	7,557	939	-	-	1,350	9,846
Salaries/Benefits	8,450	16,893	-	52,526	-	77,869
Insurance	29,869	-	-	-	-	29,869
Miscellaneous	-	-	-	-	-	-
Supplies	587	1,484	768	106	-	2,945
Dues and Subscriptions	1,328	138	-	-	163	1,629
Drug Treatment	-	-	-	41,921	-	41,921
Drug Testing	-	-	-	7,080	-	7,080
Professional Fees	-	-	-	-	25,920	25,920
Restitution of Funds	-	-	6,795	-	-	6,795
Telephone and Internet	2,198	-	-	19	2,605	4,822
Rent	-	-	-	-	2,100	2,100
Transfer to:						
37th Judicial District Court Expense	-	8,381	5,891	-	-	14,272
Indigent Defender Board	3,020	-	540	-	-	3,560
Child Support Fund	(8,381)	-	-	-	-	(8,381)
Caldwell Parish Sheriff	-	-	3,925	-	-	3,925
Probation Officer Salary	-	-	9,818	-	-	9,818
Total Expenditures	44,954	29,635	27,737	101,806	33,782	237,914
<u>Excess (Deficiency) of Revenues</u>						
<u>Over Expenditures</u>	(18,507)	7,045	1,214	16,851	(212)	6,391
<u>Fund Balance at Beginning of Year</u>	12,544	9,564	4,524	29,366	6,919	62,917
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (5,963)</u>	<u>\$ 16,609</u>	<u>\$ 5,738</u>	<u>\$ 46,217</u>	<u>\$ 6,707</u>	<u>\$ 69,308</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 1 - Historical Background

The Judicial Expense Fund of the Thirty-Seventh Judicial District Court was established by Act 916 of the 1985 Session of the Louisiana Legislature and began operating in March of 1986. The Judicial Expense Fund is controlled by the Judge of the Thirty-Seventh Judicial District Court and was established and may be used for any purpose connected with, incidentally to, or related to the proper administration or function of the court or the office of the Judge thereof, and in addition to any and all other funds, salaries, expenses or other monies that were or hereafter will be provided, authorized, or established by law for any of the aforesaid purposes. The Judicial Expense Fund's revenues are derived from court costs assessed in civil and criminal cases of the Thirty-Seventh Judicial District Court and are collected by the Sheriff and Clerk of Court. The Special Revenue Funds entitled Child Support and Misdemeanor Probation were established by the Louisiana Legislature in 1994. The Misdemeanor Probation Fund was established by order of the Thirty-Seventh Judicial District Court, the Caldwell Parish Sheriff and the Probation officer for the Parish of Caldwell on July 1, 1997. The Thirty-Seventh Judicial District Court started receiving the funds in June of 1995 and the Misdemeanor Probation Fund started receiving funds from the inmates on probation in July 1997.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

B. Reporting Entity

The Thirty-Seventh Judicial District Court, Special Revenue Fund (Child Support), authority was created by the Louisiana Legislature in 1994, and began receiving funds in June of 1995. The purpose of the fund is to provide an expedited process for establishment and enforcement of support obligations which are brought by the Department of Health and Human Resources. Revenues are to be expended to administer the proceedings related to the expedited process. The Thirty-Seventh Judicial District Court, Special Revenue Fund (Misdemeanor Probation), authority was created under the Louisiana Code of Criminal Procedure Article 895.1C. The Thirty-Seventh Judicial District Court issued an order signed en banc July 1, 1997 implementing this process. The purpose of this fund is to provide misdemeanor probation services by collecting monthly fines for establishment and enforcement of the probationary period. Revenues are to be expended to administer the proceedings related to the probation process.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

B. Reporting Entity (continued)

The accounting and reporting policies of the Thirty-Seventh Judicial District Court, Judicial Expense Fund conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of *Louisiana Municipal Audit and Accounting Guide*, the industry audit guide, *Audits of State and Local Governmental Units; Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and OMB Circular A-133.

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), the Judicial Expense Fund and Child Support is a part of the Thirty-Seventh Judicial District Court, a component of the Caldwell Parish Police Jury judicial system. The financial reporting entity consists of (a) the primary government (Caldwell Parish Police Jury), (b) organization of which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Caldwell Parish Police Jury to impose its will on that organization and /or
 - b. The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Caldwell Parish Police Jury.
2. Organizations for which the Caldwell Parish Policy Jury does not appoint a voting majority but are fiscally dependent on the Caldwell Parish Police Jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

B. Reporting Entity (continued)

Because the Caldwell Parish Police Jury provides for the operation and maintenance of the courtroom and office space of the Judges in its parish courthouse, the Thirty-Seventh Judicial District Court was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Thirty-Seventh Judicial District Court and do not present information on the Caldwell Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. Basis of Presentation

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include a Management Discussion and Analysis (MD & A) section providing an analysis of the Judicial Expense Fund’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all Judicial Expense Fund’s activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

D. Basic Financial Statements

Government-wide financial statements – The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund financial statements – The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The funds of the Judicial Expense Fund are described as follows:

General Fund – The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

Special Revenue Fund – Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. Included in special revenue funds are the Child Support Fund and Court Services Fund, which includes Misdemeanor Probation and FINS.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

E. Basic Financial Statements (continued)

This report includes funds which are controlled by the Thirty-Seventh Judicial District Court but determined to be a component unit of the Caldwell Parish Police Jury. The Caldwell Parish Police Jury has significant control over the Judicial Expense Fund in the area of necessary capital outlay. The Caldwell Parish Police Jury would present this component unit in a discreet presentation format if it were included in their financial statements. The funds are administered by the Court Administrator.

F. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of measurement focus applied.

Measurement Focus – The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of Accounting – The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

G. Budgets and Budgetary Accounting

The Louisiana Government Budget Act applies to the courts, but only as to judicial expense funds. Thus, the courts must prepare a budget document related to those funds. Criminal court funds are reported with the parish and must have budgets created by the parish authorities

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

H. Cash and Cash Equivalents

Cash includes amounts in non-interest bearing demand deposits and an interest-bearing certificate of deposit. The Judge considers the certificate of deposit as well as highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. Under state law, the Judge may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

I. Vacation and Sick Leave

The court does not have a policy for its three employees' annual vacation and sick leave.

J. Use of Estimates

The preparation of the component unit financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Fund Balances

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolution of the Judge – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Judge removes the specified use by taking the same type of action imposing the commitment.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

K. Fund Balances (continued)

This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Court's "intent" to be used for specific purposes, but are neither restricted nor committed. The Judge and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Court's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Note 3 - Cash and Cash Equivalents

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent bank has failed to pay deposited fund upon demand. Accordingly, the Court had no custodial credit risk related to its deposits at December 31, 2012. The court had cash and cash equivalents in demand deposits and a certificate of deposit, totaling \$56,932 at December 31, 2012.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2012, are secured, as follows:

Bank Balances	<u>\$ 67,679</u>
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	-
Total	<u>\$ 250,000</u>

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 4 - Receivables

The Judicial Expense Fund receivables of \$15,385 at December 31, 2012, are as follows:

	<u>Total</u>	<u>Judicial Expense Fund</u>	<u>Child Support Fund</u>	<u>Drug Court Fund</u>	<u>FINS Fund</u>
Criminal and Civil Costs	<u>\$ 15,385</u>	<u>\$ 1,722</u>	<u>\$ 3,168</u>	<u>\$ 10,495</u>	<u>\$ -</u>

Note 5 - Litigation and Claims

There is no litigation pending against the Judicial Expense Fund at December 31, 2012.

Note 6 - Health and Life Insurance Benefits

The Judicial Expense Fund provides health care and life insurance benefits for its employees. Substantially all of the Judicial Expense Fund employees are covered by the State Employees Benefit Program. During the year ended December 31, 2012, the Expense Fund paid \$29,869 for those benefits, of which the child support fund reimbursed \$8,381.

Note 7- Pension and Compensated Absences

The 37th Judicial District Court does not participate in a retirement system, or in an individual retirement account.

Note 8 - Grant Programs

Families in Need of Services (FINS)

The 37th Judicial District Court receives a grant for \$33,570 from the Supreme Court of the State of Louisiana for the operation of the FINS Program. The Court receives the money in monthly installments of \$2,798 from the state. The court uses the grant money to pay the expenditures of the FINS program and the salary for the FINS Officer.

Temporary Assistance for Needy Families (TANF)

The 37th District Court has been awarded from the Louisiana Supreme Court, State of Louisiana Drug Court Program Office funds that include federal grants totaling \$108,235 during the year ended December 31, 2012 from the "Temporary Assistance for Needy Families" (TANF) program.

The total expenditures of the 37th District Court related to this program were \$101,806 for the year ended December 31, 2012.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 9 - District Attorney's Diversion Program

The 37th Judicial District Court began participating in the District Attorney's Diversion Program in 2011. This program is to help deserving individuals who need a second chance and whose cases may not necessarily need judicial involvement or those individual's particular issues would be best resolved without court intervention. The court receives 25% of diversion fees collected by the District Attorney to pay the Court's administrative costs associated with this program.

Note 10 - Subsequent Events

Subsequent events have been evaluated through April 26, 2013 and it has been determined that no significant events have occurred for disclosure. April 26, 2013 is the date that the financial statements are available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

BUDGETARY COMPARISON SCHEUDLE
JUDICIAL EXPENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
Caldwell Parish Sheriff's Department	\$ 12,500	\$ 12,500	\$ 10,340	\$ (2,160)
Caldwell Parish Clerk of Court	4,000	4,000	3,780	(220)
Caldwell Parish District Attorney				
Diversion Program	4,500	4,500	5,567	1,067
Caldwell Parish Misdemeanor				
Probation	7,100	7,100	5,729	(1,371)
Fines and Interest Income	-	-	735	735
Total Revenues	28,100	28,100	26,151	(1,949)
<u>Expenditures (Outflows):</u>				
Salaries/Benefits	7,500	7,500	8,450	(950)
Insurance	31,000	31,000	29,869	1,131
Travel	2,000	2,000	235	1,765
Accounting	1,000	1,000	950	50
Supplies	500	500	587	(87)
Continuing Education	-	-	91	(91)
Audit	-	-	6,607	(6,607)
Dues	-	-	1,328	(1,328)
Telephone	2,000	2,000	2,198	(198)
Miscellaneous	-	-	-	-
Total Expenditures	44,000	44,000	50,315	(6,315)
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	(15,900)	(15,900)	(24,164)	(8,264)
<u>Other Financing Sources (Uses)</u>				
Transfers In	1,000	1,000	-	(1,000)
Interest Income	500	500	296	(204)
Child Support Transfers	14,400	14,400	8,381	(6,019)
Indigent Defender Board	-	-	(3,020)	(3,020)
Total Other Financing Sources (Uses)	15,900	15,900	5,657	(10,243)
<u>Net Change in Fund Balance</u>	-	-	(18,507)	(18,507)
<u>Fund Balance at Beginning of Year</u>	12,544	12,544	12,544	-
<u>FUND BALANCE (DEFICIT)</u>				
<u>AT END OF YEAR</u>	\$ 12,544	\$ 12,544	\$ (5,963)	\$ (18,507)

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

BUDGETARY COMPARISON SCHEUDLE
FINS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
State Funds - Department of				
Social Services	33,570	33,570	33,570	\$ -
State Funds - Department of				
Social Services - Enhancement	-	-	-	-
Total Revenues	<u>33,570</u>	<u>33,570</u>	<u>33,570</u>	<u>-</u>
<u>Expenditures (Outflows):</u>				
Professional Services	26,250	26,250	25,920	330
Rent	2,100	2,100	2,100	-
Utilities	-	-	1,644	(1,644)
Equipment Maintenance	-	-	-	-
Postage	-	-	-	-
Telephone	-	-	2,605	(2,605)
Dues and Subscriptions	-	-	163	(163)
Office Supplies	-	-	-	-
Bookkeeping	-	-	1,350	(1,350)
Total Expenditures	<u>28,350</u>	<u>28,350</u>	<u>33,782</u>	<u>(5,432)</u>
<u>Net Change in Fund Balance</u>	5,220	5,220	(212)	(5,432)
<u>Fund Balance at Beginning of Year</u>	<u>6,919</u>	<u>6,919</u>	<u>6,919</u>	<u>-</u>
<u>FUND BALANCE (DEFICIT)</u>				
<u>AT END OF YEAR</u>	<u>\$ 12,139</u>	<u>\$ 12,139</u>	<u>\$ 6,707</u>	<u>\$ (5,432)</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

BUDGETARY COMPARISON SCHEUDLE
DRUG COURT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues (Inflows):</u>				
Federal Grant	\$ 108,000	\$ 108,000	\$ 108,235	\$ 235
Fees and Donations	-	-	10,422	10,422
Total Revenues	108,000	108,000	118,657	10,657
<u>Expenditures (Outflows):</u>				
Administrative Personnel	34,920	34,920	52,526	(17,606)
Treatment	55,790	55,790	41,921	13,869
Testing and Labrotory	11,000	11,000	7,080	3,920
Office Expense	500	500	125	375
Other Services	5,000	5,000	-	5,000
Equipment	-	-	-	-
Travel and Training	-	-	154	(154)
Miscellaneous	790	790	-	790
Total Expenditures	108,000	108,000	101,806	6,194
<u>Net Change in Fund Balance</u>	-	-	16,851	16,851
<u>Fund Balance at Beginning of Year (Restated)</u>	29,366	29,366	29,366	-
<u>FUND BALANCE (DEFICIT)</u>				
<u>AT END OF YEAR</u>	<u>\$ 29,366</u>	<u>\$ 29,366</u>	<u>\$ 46,217</u>	<u>\$ 16,851</u>

The accompanying notes are an integral part of this financial statement.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
CALDWELL PARISH

NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

A proposed budget, prepared on the modified accrual basis of accounting, is posted at the courthouse at least ten days prior to the public hearing. A public hearing is held at the Thirty-Seventh Judicial District Court – Judicial Expense Fund's office during the month of December for comments from citizens. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the district at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and subsequent amendments.

COMPLIANCE REPORTING

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable Judge Don C. Burns
Thirty-Seventy Judicial District Court
Judicial Expense Fund
Caldwell Parish

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Thirty-Seventh Judicial District Court, Judicial Expense Fund (the Court), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued my report thereon dated April 26, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the court's internal control. Accordingly, I do not express an opinion on the effectiveness of the Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Court's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that I consider to be significant deficiencies as items 12-1 and 12-2.

Honorable Judge Don C. Burns
Thirty-Seventh Judicial District Court
Judicial Expense Fund
Caldwell Parish

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 12-3.

Thirty-Seventh Judicial Court, Judicial Expense Fund's Response to the Finding

The Court's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of Thirty-Seventh Judicial District Court, Judicial Expense Fund and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Hadd, CPA (APAC)

West Monroe, Louisiana
April 26, 2013

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

I have audited the financial statements of Thirty-Seventh Judicial District Court as of and for the year ended December 31, 2012, and have issued my report thereon dated April 26, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2012, resulted in an unqualified opinion.

SECTION I – Summary of Auditor’s Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be

Material Weaknesses X yes ___ no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards N/A

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be

Material Weaknesses ___ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by OMB Circular A-133? N/A

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION II – Financial Statement Findings

12-1 Caldwell Parish Misdemeanor Probation Fund

Condition:

During the audit it was noted that the probation officer collects the probation fines then remits the payments to the various agencies which includes the probation officer. The other agencies include Judicial Expense Fund, Caldwell Parish Sheriff's Office and various restitutions. It was also noted the same employee is the only person to have the record keeping functions of each person on probation.

Criteria:

For proper internal controls to be in place no one person should be in the capacity of custody of the assets and the function of record keeping for those assets.

Effect:

One person, the probation officer is in charge of collecting the probation fines, depositing the fines, writing the checks for the remittances of the fines to the various agencies and updating each person's record that is placed on probation by the court.

Recommendation:

We recommend that once the deposit is made by the probation officer a list of amounts collected, by name, along with a copy of the deposit slip be provided to the Court. The court should then be in charge of remittances to the various agencies, including the probation officer.

In addition a monthly accounting and reconciliation of all probation accounts should be provided to a responsible official at the Court. This is to ensure that all fines are being collected timely and deposited.

Response:

Each month the probation officer will provide the written sheets to reflect the activity that supports the checks written. Each check will require two signatures, one by the probation officer and one by the Court. The Court will compare its probation records to the probation officer's records on a monthly basis. We believe that it is not cost beneficial to the Court to hire more staff to help with these functions.

12-2 Segregation of Duties

Condition:

During the audit, it was noted that the same employee handles incoming checks, prepares deposit slips, has general ledger access, and receives bank statements.

Criteria:

One of the most critical areas of separation is cash.

Effect:

The result is the danger that intentional or unintentional errors could be made and not be detected.

Recommendation:

We recommend the judge continue to be involved with oversight of the accounting function.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION II – Financial Statement Findings (continued)

Response:

The Court believes that it is not cost beneficial to hire more staff to help with these functions. The Judge will continue to be involved with daily oversight.

12-3 Disbursement of Probation Fees

Condition:

During the audit, it was noted that the Caldwell Parish Sheriff does not submit to the Court a detailed listing of what makes up the total fees collected for the month for fines and forfeitures.

Criteria:

Act 366 of the 2011 Regular Session of the Louisiana Legislature, states in part as follows: The sheriff, clerk, marshal or other agency or office whose duties include receiving court fines, fees, costs, assessments and forfeitures for courts within their jurisdictions shall disburse all sums due on a monthly basis and shall provide an itemized detail of the sources of the sums.

Recommendation:

It is recommended that the Court advise the Sheriff's office to provide a detailed listing of what the fines collected are made up of each month when disbursed to the Court.

Response:

The Court Administrator has advised the Sheriff's office to provide a detailed listing of all fines collected and remitted to the Court. They have started this procedure as of the beginning of 2013.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

Section I - Internal Control and Compliance Material to the Financial Statements

11-1 Caldwell Parish Misdemeanor Probation Fund – Segregation of Duties

Condition:

During the audit it was noted that the probation officer collects the probation fines, then remits the payments to the various agencies which includes the probation officer. The other agencies include Judicial Expense Fund, Caldwell Parish Sheriff's Office and various restitutions. It was also noted that the same employee is the only person to have the record keeping function of each person on probation.

Recommendation:

It was recommended that once the deposit is made by the probation officer, a list of amounts collected, by name, along with a copy of the deposit slip be provided to the Court. The Court should then be in charge of remittances to the various agencies, including the probation officer.

Current Status:

This finding is still not resolved. See current year finding 12-1.

11-2 Cash Account Not Reconciled to the Monthly Detail

Condition:

During the audit of the Misdemeanor Probation fund, it was noted that monthly bank reconciliations were not prepared.

Recommendation:

It was recommended that monthly reconciliations be prepared so that the Misdemeanor Probation fund would know its true cash position at the end of each month and can also track old, outstanding checks more easily.

Current Status:

Monthly reconciliations are currently being prepared on a monthly basis.

11-3 Segregation of Duties

Condition:

During the audit, it was noted that the same employee handles incoming checks, prepares deposit slips, has general ledger access, and receives bank statements.

Recommendation:

It was recommended the judge continue to be involved with oversight of the accounting function.

Current Status:

The Court believes that it is not cost beneficial to hire more staff to help with these functions. The Judge will continue to be involved with daily oversight.

THIRTY-SEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter was issued.